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January 25, 2006

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When calling relative to this  
matter, refer to file No. 1332.

Honorable James H. Welsh  
Commissioner of Conservation  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: **Hosston Zone, Reservoir A**  
**Cotton Valley Formation, Reservoir A**  
**Lower Cotton Valley Zone, Reservoir A**  
**Elm Grove Field**  
**Bossier Parish, Louisiana**

**APPLICATION FOR PUBLIC HEARING**

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize five additional alternate unit wells on HOSS RA SU37, CVRA SU37 and LCV RA SUZ at the locations in Section 20-T16N-R11W, Bossier Parish, Louisiana, shown on the attached plats, three of which are exceptional locations;
2. To authorize KCS Resources, Inc. to drill, complete and utilize an alternate unit well on HOSS RA SU46, CV RA SU46 and LCV RA SUBB at the exceptional location in Section 29-T16N-R11W, Bossier Parish, Louisiana, as shown on the attached plats;

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3. To find that each of the proposed alternate unit wells is necessary to efficiently and effectively drain a portion of the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, underlying the respective units which cannot be efficiently and effectively drained by any other well;
4. To authorize the unit allowable for these Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A, and Lower Cotton Valley Zone, Reservoir A, units to be recovered from the any of the wells located on the units, at the discretion of the operator;
5. To authorize the downhole or well bore combination of production from any current or future well located on HOSS RA SU46, CV RA SU46 and/or LCV RA SUBB, or on any combination of these units, in the Elm Grove Field, without the necessity of securing a supplemental order as contemplated by Office of Conservation Order No. 361-15; and
6. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster, and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in Office of Conservation Order No. 361-A-5, effective May 25, 1977.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster, and Bienville Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined by subsequent orders of the 361-B Series.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster, and Bienville Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

The downhole or well bore combination of production derived from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, insofar as certain units located in the Elm Grove Field, was authorized pursuant to Office of Conservation Order No. 361-15. Included within the units for which downhole combination is approved are HOSS RA SU46, CV RA SU46 and LCV RA SUBB, such units being shown on the attached plats. The protocol contemplated by Order No. 361-15 requires the presentation by the operator of certain additional information and the issuance by the Commissioner of Conservation of a supplemental order on occasions when an operator seeks downhole combination

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of production. In more recent years, the Office of Conservation has allowed the downhole combination of production without the necessity of the supplemental order arrangement, with such downhole combination being authorized administratively by the approval of a work permit by the District Manager once an order has issued allowing the downhole combination of specific units. The Applicant requests that it be allowed to combine production downhole in the well bore(s) of wells now or in the future located on the units which are the subject of this application without the necessity of securing a supplemental order on each occasion when downhole combination of production is sought.

The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Ron Tuminello, 416 Travis Street, Suite 804, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

The list attached to the copy of this application being sen to the Commissioner of Conservation includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed are the application fees.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

  
J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager  
Interested Owners, Represented  
Parties and Interested Parties  
Mr. Ron Tuminello  
Mr. Craig Barclay





